Use of stewardship reports

The FRC Lab (Lab) is inviting asset owners (pension funds, insurers) and investment consultants to participate in a new project for the FRC's Corporate Governance and Stewardship team looking at how they use the stewardship reports of asset managers. Contact the Lab at FRCLab@frc.org.uk by 16 September 2022 if you are interested in taking part.

Background

The new UK Stewardship Code was published in October 2019 and took effect in January 2020. The first list of signatories to the Code was published in September 2021.

In July 2022, the FRC published research on the Influence of the Stewardship Code on practice and reporting. The research, which took evidence from 55 asset managers and owners, found that both groups were very positive about the impact of the Code and that there was strong evidence of material changes to practice in the areas of governance, resourcing, stewardship activities, outcomes and reporting. The research also identified areas for improvement in stewardship reporting and the opportunity for alignment with other reporting requirements.

In the Government's response to the consultation on strengthening the UK's Corporate Governance, Corporate Reporting and Audit systems it confirmed that the FRC – working with the Financial Conduct Authority, the Department for Work and Pensions and the Pensions Regulator – will carry out a review of the regulatory framework for effective stewardship including the operation of the Code in the latter part of 2023, to allow two full years of reporting under the revised Code.

This research is intended to inform the FRC's development of the Code and any future consultation by better understanding how stewardship reporting is used by asset owners and those that advise them.

Research themes

- Use and users of stewardship reporting
- Structure and format
- Content of stewardship reports

How to participate

The Lab invites pension funds, insurers and advisers to asset owners and other interested parties to communicate their interest by emailing FRCLab@frc.org.uk by 16 September 2022.

Participation is expected to involve:

- a 1-hour individual virtual meeting to discuss your views and experiences; and

- multi-party round table meetings of 1.5 hours (attendance is not required at all round tables).

Participants will be kept up to date on the progress of the project and will be given an opportunity to comment on draft findings.

Further information on the Lab, including its publications, can be found here.